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Chapter No. 948  
14/SS26/R354SG  
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## ***SENATE BILL NO. 2981***

Originated in Senate

Liz Welch

Secretary

SENATE BILL NO. 2981

AN ACT TO AUTHORIZE THE BOARD OF SUPERVISORS OF KEMPER COUNTY, MISSISSIPPI, TO CREATE AND PARTICIPATE IN THE KEMPER COUNTY NATURAL GAS DISTRICT; TO ESTABLISH A BOARD OF COMMISSIONERS OF THE DISTRICT; TO PROVIDE FOR THE MEMBERSHIP AND TERMS OF OFFICE FOR THE COMMISSION'S BOARD OF DIRECTORS; TO AUTHORIZE THE COMMISSION TO CONSTRUCT AND OPERATE A NATURAL GAS TRANSMISSION AND DISTRIBUTION SYSTEM AND TO PRESCRIBE OTHER POWERS AND DUTIES OF THE COMMISSION; TO AUTHORIZE THE ISSUANCE OF REVENUE BONDS TO CONSTRUCT THE NATURAL GAS TRANSMISSION AND DISTRIBUTION SYSTEM; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

**SECTION 1.** The Board of Supervisors of Kemper County, Mississippi, is authorized to create and participate in the "Kemper County Natural Gas District."

**SECTION 2.** The Kemper County Natural Gas District shall be activated by resolution duly adopted and entered on the minutes of the Board of Supervisors of Kemper County, Mississippi. The district shall be composed of all of Kemper County, Mississippi, less and except any areas that are certificated prior to the effective date of this act. The Kemper County Natural Gas District shall, upon the request of any natural gas operator,

release from the district any areas for which the natural gas operator has been issued a certificate of public convenience and necessity by the Mississippi Public Service Commission after the effective date of this act.

**SECTION 3.** The Kemper County Natural Gas District shall be and is declared to be a valid political subdivision of the State of Mississippi, with the power to sue and be sued and to contract and be contracted with.

**SECTION 4.** It is found and declared that the object and purpose of creating the district is to provide natural gas service to and within the area described in Section 2 of this act as economically feasible and to provide ways and means to carry out and accomplish that purpose, thereby benefiting and making more valuable the lands in the district and preserving and promoting the health, safety and convenience of the businesses, industrial sites and other residents of the district. In order to carry out and render effective this object and purpose the courts of this state shall construe this act as an exercise by the Legislature of all the power appertaining to it, necessary for the benefit of the health, safety and convenience of the businesses, industrial sites and other residents of the district; and the necessity in the public interest of the state at large for the provision of this act are declared as a matter of legislative determination. All the terms and provisions of this act are to be liberally construed to effectuate the purposes set forth in this act and all powers

required to accomplish the purposes of this act are granted and conferred, including the power to employ engineers and attorneys at such reasonable compensation as the board of commissioners determines.

**SECTION 5.** (1) (a) From and after the effective date of this act, the powers of the Natural Gas District shall be vested in and exercised by an interim board of commissioners which shall consist of six (6) members to be appointed by the Board of Supervisors of Kemper County. The terms of office of the members appointed by the board of supervisors shall expire upon completion of the construction of the district's natural gas transmission and distribution system and the selection of resident members of the board as provided in subsection (2) of this section.

(b) The resident members of the board to serve after the initial appointees' terms have expired shall be selected in the manner prescribed in subsection (2) of this section.

(2) Promptly upon the commencement of natural gas service by the district to not less than one hundred (100) individually billed users, the commissioners shall give notice to each user of an initial election to be held at a time not less than thirty (30) days nor more than sixty (60) days from such date. The notice shall state the time, place and manner in which the users may vote upon the selection of subsequent resident members of the board to serve terms of one (1), two (2) and three (3) years, respectively, by ballot of all users of the district. Such election shall be

held in a manner and according to procedures to be established by rules and regulations adopted by the board of commissioners before the giving of notice of such election, and a printed copy of such rules and regulations shall accompany the notice to be forwarded by regular mail to the users.

Rules and regulations for the conduct of the election shall provide for a method of nomination of commissioners, notice of such nominations to be provided to users not less than thirty (30) days before the date upon which the election is to be held, along with a method of balloting by mail as well as personal attendance at the time and place of election, a method of balloting by proxy vote, and a method of making additional nominations by users in addition to any nominations proposed by the board of commissioners. The time of the election shall be fixed between the hours of 10:00 a.m. and 7:00 p.m. on a day of the week other than Sunday.

In this and all succeeding elections, each user of the district shall have one (1) vote; provided that when a billing is made to more than one (1) person at a single location, each such person shall be limited to casting a pro rata share of the one (1) vote to which the billing location is entitled.

Subsequent to the initial election, there shall be held an election annually on a date and in a manner substantially conforming to the initial election, except that in each annual

election following the initial election, commissioners shall be elected to terms of three (3) years.

(3) Vacancies in the office of commissioner during the interim period shall be filled by the Board of Supervisors of Kemper County and, following the holding of the initial election, shall be filled for the unexpired term by the remaining commissioners.

**SECTION 6.** (1) The board of commissioners shall:

(a) Have the power to make such rules and regulations as it deems necessary to the operation of the district and the subsequent election of commissioners;

(b) Possess all necessary power and authority to construct, acquire and manage a natural gas transmission and distribution system, including, but not limited to:

(i) The authority to contract with public or private entities for the operation, management and administration of the system;

(ii) The authority to accept money from any source, including, but not limited to, in lieu payments, grants and loans from federal and state agencies; and

(c) Have the authority to issue revenue bonds to finance the construction of a natural gas transmission and distribution system as provided in this act.

(2) The board may enter into a lease-purchase agreement for the construction and ultimate acquisition of a natural gas

transmission and distribution system. If the system is subject to a lease-purchase agreement with the board, it shall be considered a publicly owned system and exempt from the assessment and levy of ad valorem taxes.

(3) Except as otherwise provided in this act, all powers with respect to natural gas transmission and distribution systems granted to municipalities of this state by Sections 21-27-11 through 21-27-69, Mississippi Code of 1972, including the issuance of revenue bonds, are conferred upon and may be exercised within the district by the board as if the system and financing thereof as provided in this act were done pursuant to such sections.

**SECTION 7.** For the purposes of Section 77-3-1, Mississippi Code of 1972, the gas transmission and distribution system of the district shall be deemed to be a municipal gas system not subject to the jurisdiction of the Mississippi Public Service Commission, except as otherwise provided by Section 77-3-1, Mississippi Code of 1972, and in this act.

**SECTION 8.** The amount of revenue bonds authorized to be issued shall not exceed an aggregate of Ten Million Dollars (\$10,000,000.00).

**SECTION 9.** The board of commissioners shall have full power and authority to issue all bonds of the district, but before issuing any bonds, the commission shall adopt a resolution declaring its intention so to do, stating the amount of the bonds proposed to be issued and the date upon which the commission

proposes to direct the issuance of such bonds. Such resolution shall be published once a week for at least three (3) consecutive weeks in at least one (1) newspaper qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, in the county or counties in which the district lies and having a general circulation in the district which lies in such county or counties. The first publication of such resolution shall be made not less than twenty-one (21) days before the date fixed in the resolution for the issuance of the bonds, and the last publication shall be made not more than seven (7) days before such date. If ten percent (10%) of the users of the district file a written protest against the issuance of the bonds on or before the date specified in the resolution, then an election on the question of the issuance of the bonds shall be called and held in the manner to be provided by the commission by rules and regulations promulgated before the adoption of the resolution declaring the commission's intention to issue the bonds.

**SECTION 10.** Any revenue bonds issued under the provisions of this act may be submitted to validation under the provisions of Sections 31-13-1 through 31-13-11, Mississippi Code of 1972.

**SECTION 11.** If any provision of this act is held to be invalid by any court of competent jurisdiction, the remainder of this act shall not be affected thereby.



**SECTION 12.** This act shall take effect and be in force from  
and after its passage.

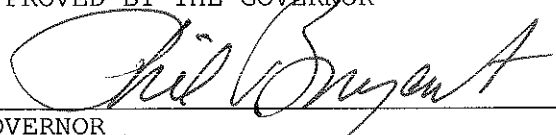
PASSED BY THE SENATE  
March 29, 2014

  
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PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES  
March 28, 2014

  
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SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR

  
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GOVERNOR

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